



6/17/03

## CONFERENCE COMMITTEES

### **HH 4032 (Shulman)**

The bill implements the Governor's recommendation for balancing the 2002-03 budget for items that could not be accomplished in the executive order. It reduces appropriations for the Legislature (\$1.8 million) and Judiciary (\$1.1 million) and provides for bond funding for the final \$12 million of the Detroit Metro Midfield Terminal Project. It also replaces \$4.9 million in general fund with federal revenues and adds \$8.8 million for hospitals due to the implementation of the hospital provider assessment. The bill also appropriates \$24 million in bridge funding to local bridges that was previously vetoed by Engler in a dispute over the local & state proportion of the money.

- The Senate adopted the conference report to HB 4032 [RC 225: 38 yes, 0 no].

## BUDGETS

### **SB 266 (Johnson)**

#### Military Affairs budget

The House eliminated the \$1.3 million general funding for the Challenge Program added by the Senate and included \$100 points of difference in each general fund line item.

- The Senate did not concur with the House changes to SB 266 [RC 219: 0 yes, 37 no].

### **SB 277 (Johnson)**

#### State Police budget

The House concurred with the Senate in eliminating the Governor's proposed fire service fees and replacing those funds for the Fire Marshal and related programs with general fund from At-Post Troopers. The House increased the federal authorization for first responder grant revenue by \$48.6 million to reflect the expected award from U.S. Department of Justice. The House added \$10,000 in private authorization to allow receipt of donations to canine unit. The House also created \$100 points of difference in each general funding line item and reduced full-time employees by 350 to more closely reflect current staffing levels.

- The Senate did not concur with the House changes to SB 277 [RC 220: 0 yes, 38 no].

## **SB 279 (Johnson)**

History, Arts, and Library budget

- The Senate did not concur with the House changes to SB 279 [RC 221: 0 yes, 38 no].

## **SB 281 (Johnson)**

Judiciary budget

- The Senate did not concur with the House changes to SB 281 [RC 222: 0 yes, 37 no].

## **SB 283 (Johnson)**

Family Independence Agency budget

- The Senate did not concur with the House changes to SB 283 [RC 223: 0 yes, 37 no].

## **SB 288 (Johnson)**

Department of Agriculture budget

- The Senate did not concur with the House changes to SB 288 [RC 224: 0 yes, 37 no].

## **HB 4388 (Shulman)**

Community Colleges budget

The House-passed version of HB 4388 is very similar to the executive proposal for 2003-2004. The Governor recommended and the House concurred a 6.7% across the board reduction of operating funds, an overall reduction of \$20.5 million. The House substitute did provide an additional \$121,000 for Gogebic Community College (who relies heavily on state funding). This additional operating expense comes from a reduction of at-risk funding for all 27 other community colleges. General fund expenditures come in at the Governor's recommendation and the House-passed version. However, the Senate version adds \$4.7 million (51% of the total \$9.2) in Tuition Incentive Program (TIP) money, which accounts for the additional monies in this budget.

- Committee 1 (S-1) was adopted [no RC].
- HB 4388 was moved to 3<sup>rd</sup> Reading.
- SWITALSKI 1 (2 amends) was defeated [RC 233: 16 yes, 21 no (GOP)]. This would have added more than \$17 million to community college funding. This would have resulted in an increase in funding for these colleges on par with the funding increase for colleges and universities in the Higher Education budget.
- HB 4388 passed [RC 234: 37 yes, 0 no]. Immediate Effect was not given.

## **HB 4390 (Shulman)**

Corrections budget

The Senate subcommittee made a few changes to the House version including restoring the \$8,456,600 for prisoner academic/vocational programs which was reduced by 25% in the House.

- Committee 1 (S-1) was adopted [no RC].
- Cropsey 1A (1 amend) was adopted [no RC]. This strikes section 218 from the bill – this section mandated a study on hepatitis infection rates in prisoners.
- EMERSON 1B (1 amend) was adopted [RC]. This prohibits funding from being used to extend the contract for the connection of the Gus Harrison and Parr Highway correctional facilities' sewer system to the Central Lenawee Sewer Disposal System.
- HB 4390 was moved to 3<sup>rd</sup> Reading.
- HB 4390 passed with IE [RC 226: 38 yes, 0 no].

### **HB 4392 (Shulman)**

#### **Community Health budget**

- Committee 1 (S-1) was adopted [no RC].
- HB 4392 was moved to 3<sup>rd</sup> Reading.
- CHERRY 1 (3 amends) was defeated [RC 227: 16 yes, 22 no (GOP)]. This would have replaced \$60 million in general fund revenues with money from the tobacco revenue fund. The \$60 million in general revenue funding, placed in the budget by the GOP, is a riskier source of funding, especially since the state faces serious budget deficits.
- Hardiman 2 (1 amend) was adopted [no RC]. If funds are available, this would establish a Program of All Inclusive Care (CARE) in parts of Kent, Barry, and Ionia counties. This PACE program would help seniors by providing a comprehensive medical and social service delivery system.
- HB 4392 passed [RC 228: 38 yes, 0 no]. Immediate Effect was not given.

### **HB 4396 (Shulman)**

#### **Higher Education budget**

The Senate version is \$102, 774,274 gross over the Governor's recommendation, with \$92.8 million of the additional money from the Michigan Merit Trust Fund. Of this, \$70 million is for scholarships, \$21.6 million is for the funding floor, and \$1.5 million is for a new infrastructure and technology line item. An additional \$10 million for a life sciences center at Western was added with general fund monies.

- Committee 1 (S-1) was adopted [no RC].
- HB 4396 was moved to 3<sup>rd</sup> Reading.
- CHERRY 1 (5 amends) was defeated [RC 229: 14 yes, 23 no]. This would have reduced funding for the Michigan Merit Scholarship.
- CHERRY 2 (4 amends) was defeated [RC 230: 16 yes, 22 no (GOP)]. This would have replaced the one-time, full payout of Merit Scholarships with a four-time (one-quarter) payout process.

- PRUSI 3 (5 amends) was defeated [RC 231: 16 yes, 22 no (GOP)]. This would have removed the \$10 million in funding for a Western Michigan University effort to help laid-off Pfizer employees in the Kalamazoo area.
- HB 4396 passed [RC 232: 23 yes, 15 no]. Immediate Effect was not given.

## FINAL PASSAGE

**SB 520 (Brown)**

**SB 586 (Brown)**

Senate Bill 520 is the “claim it correctly” legislation, relative to people who wrongly claim two homestead exemptions. The law only allows one exemption per person. The bill essentially sets up an incentive program for county and local government for reviewing home exemption claims. It is believed that there are a significant number of people who claim two exemptions, one for the true primary residence, and one for a vacation or secondary residence.

The bill would increase school district and local unit revenues and reduce School Aid Fund expenditures. According to the Michigan Department of Treasury, the bill could increase school district revenues by approximately \$46 million in 2003-04, \$24 million in 2004-05, and \$16 million per year after 2004-05. County revenues would increase by approximately \$5 million in 2003-04, \$3 million in 2004-05, and \$2 million per year after 2004-05. School Aid Fund expenditures would be reduced by \$51 million in 2003-04, \$27 million in 2004-05, and \$18 million per year after 2004-05.

- Committee 1 (S-2) was defeated [no RC].
- Brown 1A and Cassis 1B “fell” when S-2 was defeated.
- Brown 2 (S-3) was adopted [no RC].
- Brown 2A was adopted [no RC]. This clarifies the amnesty program under the bill.
- Cassis 2B was withdrawn.
- Cassis 2C was adopted [no RC]. This changes the amnesty date from 10/1/03 to 11/1/03.
- SB 520 was moved to 3<sup>rd</sup> Reading.
- SB 520 passed [RC 235: 36 yes, 0 no].

Senate Bill 586 enables the “claim it correctly” legislation (SB 520) to work; without it, it would be difficult for Treasury to identify people who are claiming more than one homestead exemption.

- Committee 1 (S-1) was adopted [no RC].
- SB 586 was moved to 3<sup>rd</sup> Reading.
- SB 586 passed [RC 236: 38 yes, 0 no].

## THIRD READING

**SB 464 (Allen)**

**SB 465 (Stamas)**

**SB 466 (BARCIA)**

**SB 467 (PRUSI)**

**SB 468 (Gilbert)**

The bills would: 1) Relieve the Mackinac Bridge Authority of its obligation to repay the State money advanced for Authority bonds. 2) Appropriate to the Authority at least \$5.9 million annually highway funding for capital

improvement projects. 3) Allow the Authority's corporate existence to continue after its liabilities had been met and bonds repaid. 4) Require the Authority to hold hearings on reducing the bridge toll to the rate in effect before May 1, 2003. 5) Prohibit the Authority from charging tolls to emergency vehicles.

Opposed: The Governor's office, Michigan Department of Transportation.

SB 464:

- Committee 1 (S-2) was adopted [no RC].
- Allen 1A (1 amend) was adopted [no RC]. Technical change.
- SB 464 was moved to 3<sup>rd</sup> Reading.

SB 465:

- Committee 1 (S-4) was adopted [no RC].
- SB 465 was moved to 3<sup>rd</sup> Reading.

SB 466:

- SB 466 was moved to 3<sup>rd</sup> Reading. No amendments.

SB 467:

- Committee 1 (S-1) was adopted [no RC].
- SB 467 was moved to 3<sup>rd</sup> Reading.

SB 468:

- Committee 1 (S-1) was adopted [no RC].
- SB 468 was moved to 3<sup>rd</sup> Reading.